



General Assembly

January Session, 2013

Committee Bill No. 5019

LCO No. 4243



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Referred to Committee on COMMERCE

Introduced by:
(CE)

AN ACT ESTABLISHING A TAX CREDIT FOR FIRST-TIME HOME BUYERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2013, and applicable to taxable years*
2 *commencing on or after January 1, 2013*) (a) As used in this section:

3 (1) "First-time homebuyer" means any person who is a resident of
4 this state, as defined in subdivision (1) of subsection (a) of section 12-
5 701 of the general statutes, and if married, such person's spouse, who
6 had no present ownership interest in a principal residence during the
7 three-year period ending on the date of the purchase of the principal
8 residence to which this section applies.

9 (2) "Purchase" means any acquisition of property, provided such
10 property is not acquired from a person legally related to the person
11 acquiring such property, or if married, such person's spouse. A
12 principal residence that is constructed by a person shall be deemed to
13 be purchased by such person on the date such person first occupies the
14 residence.

15 (b) Any first-time homebuyer who purchases a principal residence
16 in the state and is subject to the tax imposed under chapter 229 of the
17 general statutes for any taxable year shall be allowed a credit against
18 the tax otherwise due under chapter 229 of the general statutes. The
19 amount of such credit shall be equal to ten per cent of the purchase
20 price of such residence, provided such amount shall not exceed (1)
21 four thousand dollars for a person who files under the federal income
22 tax for such taxable year as a married individual filing separately, or
23 (2) eight thousand dollars for any other person. If two or more
24 individuals who are not married purchase a principal residence, the
25 amount of the credit allowed under this subsection shall be allocated
26 among such individuals in such manner as the Commissioner of
27 Revenue Services may prescribe, except that the total amount of the
28 credits allowed to all such individuals shall not exceed eight thousand
29 dollars. No credit shall be allowed for the purchase of any residence if
30 the purchase price of such residence exceeds eight hundred thousand
31 dollars.

32 (c) The tax credit issued under this subsection shall be taken in the
33 same taxable year in which the principal residence is purchased.

34 (d) If the amount of the credit allowed pursuant to this section
35 exceeds the taxpayer's liability for the tax imposed under chapter 229
36 of the general statutes, the Commissioner of Revenue Services shall
37 treat such excess as an overpayment and, except as provided under
38 section 12-739 or 12-742 of the general statutes, shall refund the
39 amount of such excess, without interest, to the taxpayer.

40 (e) (1) If a person ceases to reside in the principal residence with
41 respect to which a credit was allowed under subsection (b) of this
42 section at any time up to one year after the date of purchase, such
43 person shall repay one hundred per cent of the credit allowed. If a
44 person ceases to reside in such residence more than one year but not
45 more than two years after such date, such participant shall repay
46 eighty per cent of the credit allowed. If a person ceases to reside in the

47 principal residence more than two years but not more than three years
 48 after such date, such participant shall repay sixty per cent of the credit
 49 allowed. If a person ceases to reside in such residence more than three
 50 years but not more than four years after such date, such participant
 51 shall repay forty per cent of the credit allowed. If a person ceases to
 52 reside in such residence more than four years but not more than five
 53 years after such date, such participant shall repay twenty per cent of
 54 the credit allowed. After five years, there is no repayment obligation.
 55 Any amounts repaid under this subdivision shall be deposited in the
 56 General Fund.

57 (2) Subdivision (1) of this subsection shall not apply to any taxable
 58 year ending after the date of the taxpayer's death.

59 (3) In the case of a transfer of the residence to a spouse or incident to
 60 divorce, (A) subdivision (1) of this subsection shall not apply to the
 61 transferor, and (B) in the case of taxable years ending after such
 62 transfer, subdivision (1) of this section shall apply to the transferee in
 63 the same manner as if the transferee were the original purchaser.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013, and applicable to taxable years commencing on or after January 1, 2013</i>	New section

Statement of Purpose:

To establish a first-time homebuyer's credit in order to encourage the purchase of homes in the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. DAVIS C., 57th Dist.

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